

Neighborhood Assistance Program



Building Communities Through Partnerships

**FY 2005 Guidelines and Application
Deadline: Monday, March 15, 2004**

**Community Development Programs
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TABLE OF CONTENTS

Introduction and General Overview	2
Program Assumptions	3
Eligible Applicants	3
Ineligible Applicants.....	4
Eligible Project Categories	4-5
NAP Priority Areas.....	5
NAP Program Outcomes.....	5-6
Ineligible Project Activities.....	6
Defining Your Project	6-7
Property Use and Disposition Requirements.....	7
Environmental Assessment.....	7-8
Credit Payback	8-9
Donations to the NAP Project.....	9
Eligible Contributors	9
Qualifying Donations	9-10
Features and Restrictions of the Tax Credit	10
Restrictions on Donations	10-13
Submitting Your Proposal.....	13
Proposal Rating.....	13-14
Recommendations and Notification.....	14
How to Obtain Help with Your Proposal	14
Application Instructions and Examples	15-20
Application Workshop Registration Form	21
Application.....	A1-A10
Checklist.....	A11

NEIGHBORHOOD ASSISTANCE PROGRAM

Introduction

This application booklet is designed to provide you with the information needed to understand the Neighborhood Assistance Program (NAP), to determine if your organization is eligible to apply and to assist you in filling out the application. NAP is looking for well thought out and organized proposals; proposals that can specify in detail what the expected accomplishments will be (outcomes), the number of Missourians targeted in the achievement of those outcomes (performance targets) and how those accomplishments will be verified.

The questions in the application are designed to encourage you to thoroughly think through the project you are proposing and to communicate your ideas and plans in a logical and coherent manner. The terms “performance targets” and “milestones” are used to encourage you to answer the questions with focus on real accomplishments and real outcomes. You will need to provide complete and concise answers to the questions and give a comprehensive representation of your proposed project. You will also be asked to consider the costs of your project in relationship to the outcomes your project seeks to achieve.

There is no application fee to submit a proposal for the Neighborhood Assistance Program. Your FY2005 NAP application will be accepted anytime prior to the deadline on March 15, 2004. Please read all materials carefully to ensure that your application is complete and accurate.

General Overview

Administered by the Missouri Department of Economic Development, the Neighborhood Assistance Program was created to assist endangered communities and their residents in the improvement of their quality of life. A qualifying nonprofit organization or business can be granted assistance to administer a community or neighborhood project if the community or neighborhood itself does not have the ability or resources to deal with the factors challenging its existence as viable and stable.

This program enables donors to redirect their Missouri tax dollars to local projects while reducing the administrative and overhead costs of state administration of the same program.

This form of assistance requires no transfer of tax dollars. The nonprofit organization assumes full responsibility for securing the desired financial support through their own fundraising efforts. The State's role is to approve projects and process tax credits for eligible businesses that contribute to a NAP project. The credit equals 50% of the value of most contributions, but may total 70% for some projects in rural communities. Donors may claim the tax credits when they file their Missouri tax return. As an incentive, the tax credit not only maximizes the amount a donor might give, but also provides an opportunity for businesses, state government and the nonprofit sector to build and sustain communities by establishing solid public-private partnerships.

Assumptions

The following are insights as to what NAP believes enables organizations to implement successful projects through the program. These assumptions are gleaned from the NAP's experience over time and are to be used as a guide for organizations applying to the program.

We believe the following to be true:

- Community-based organizations are most capable to administer NAP projects.
- NAP increases the ability of community-based organizations to leverage contributions for community improvement projects.
- NAP allows communities to retain their state tax dollars for local projects.
- NAP projects administered by local organizations involving persons who have a stake in the outcome of the project can affect the most change in their community.

Eligible Applicants

To participate in the Neighborhood Assistance Program, applicants must be one of the following:

★ Nonprofit Corporation under the provisions of Chapter 355, RSMo

Note: If an organization is incorporated on a statewide, regional or national level, or established through Congressional Charter, its local affiliates, chapters, divisions, or branches are each permitted to submit an application provided:

- a) *A locally controlled Board of Directors is empowered and assumes all administrative and financial responsibility for the local not-for-profit chapter, division or branch. Only organizations with locally based and controlled boards of directors will be allowed to apply. Local boards that serve in only an advisory capacity to the parent organization are not qualified to apply. DED retains the right to make a final determination of what constitutes a locally controlled board of directors with appropriate powers and responsibilities.*

And

- b) *All NAP donations will be deposited locally and the use of NAP donations is controlled solely by the locally controlled board of directors for the organization.*

And

- c) *The parent organization has no authority over the use of NAP donations except to the extent that the parent organization defines the general organizational purpose(s) of the locally controlled organization.*

★ Organization holding a 501(c)3 ruling from the Internal Revenue Service of the United States Department of Treasury

- ★ **Missouri business assuming full administrative and financial responsibility for the project. Proposals may not be submitted jointly by more than one company.**

Ineligible Applicants

- ☒ Churches, denominational headquarters and organizations under the direct supervision or control of a church (e.g. authority to appoint 51% of the Board).

Affiliated religious organizations qualify only if all of the following conditions are met:

- 1) The project addresses a specific need in the community that qualifies under one of the eligible NAP project categories.
- 2) One church or one person does not have the authority to appoint more than half the Board of Directors.
- 3) Clients who wish to participate in the program are accepted without discrimination.
- 4) Clients are not required to participate in worship services or activities.
- 5) The applicant meets all other NAP eligibility requirements.
- 6) The organization is incorporated separately under the provisions of Chapter 355 RSMo or holds a 501(c)3 ruling from the Internal Revenue Service.

- ☒ Units of government (political subdivisions, taxing districts), affiliated organizations under their direct supervision or control (e.g. authority to appoint 51% of the Board) and organizations created to benefit public institutions.

- ☒ Partisan organizations

- ☒ Public or tuition-based private elementary, secondary or post-secondary educational institutions or organizations established to provide direct or indirect support for such institutions and their programs.

- ☒ Organizations with more than 50% of their board members in common.

- ☒ Organizations with IRS rulings other than 501(c)3.

- ☒ Organizations submitting more than one NAP project proposal.

- ☒ Previously approved organizations that will have overlapping fundraising periods.

Eligible Project Categories

Community Services

Any project that enables Missourians to improve their quality of life.

Crime Prevention

Any project that promotes, teaches or contributes to the security and safety of Missourians.

Education

Any project that provides scholastic instruction for Missourians preparing themselves for better opportunities (school districts, tuition-based schools, colleges and universities are not eligible to apply).

Job Training

Any project that provides skill development and other services enabling Missourians to become employable or seek a higher grade of employment.

Physical Revitalization

Any project that aids in the physical improvement or rehabilitation of any part or all of a Missouri community.

NAP Priorities Areas

- Priority will be given to projects that are construction or renovating facilities.
- Priority will be given to projects that are creating or retaining jobs by utilizing the tax credits.
- Priority will be given to projects that impact the NAP outcomes.

NAP Program Outcomes

While there are many types of projects that generally qualify for the Neighborhood Assistance Program, the Department of Economic Development actively seeks proposals that will address specified NAP program outcomes. Measurement of performance targets in the achievement of these outcomes and their impact on the targeted neighborhood, community and region of the state, will be an integral part of the review of the application and scoring process.

While priority will be given to applications that address the following program outcomes, applications addressing other outcomes will also be considered:

- ★ Increase the number of Missourians age 55 and older that are able to live independently.
- ★ Decrease the number of crimes against persons or property.
- ★ Increase the number of Missourians that obtain a high school diploma.
- ★ Increase the number of Missourians that obtain a GED certificate.
- ★ Increase the number of Missouri children who enter school ready to learn.
- ★ Increase the number of Missourians who learn life skills and/or earn certificates for completing training in vocational or educational courses.

- * Increase the number of Missourians who are placed in jobs.
- * Increase the number of individuals or families that have safe and affordable housing.

Ineligible Project Activities

- ☒ Fixed and/or permanent improvements owned or maintained by any private or government entity (streets, sewers, curbs, guttering, lights, flowers, planters, benches, trees, banners, trash receptacles, kiosks and excavation required for landscaping).
- ☒ Research projects or facilities and public awareness campaigns
- ☒ Feasibility studies
- ☒ Public (government) programs, projects, offices or facilities and/or projects that provide direct benefit to taxing districts and/or their agents
- ☒ Monuments and memorials
- ☒ Scientific research and development of medical technology
- ☒ Long-term residential care (i.e.: costs associated with room and board) and nursing home facilities
- ☒ Direct grants to private business
- ☒ Endowment funds
- ☒ Fundraising promotions, events or the salaries of professional fundraising staff
- ☒ Day to day operations of a hospital and/or major medical treatment or care
- ☒ Debt retirement

Defining Your Project

NAP projects are classified as either service delivery projects or capital campaign projects. Organizations applying to NAP must choose between these two classifications. All applications must include budgets for expenses allowed under the chosen classification. **Note: service delivery expenses cannot be combined with capital campaign expenses.** The following information will help guide you in defining what type of project you will administer through the NAP.

Service Delivery

Service delivery expenses are defined as expenses that support the day-to-day operation of the applicant agency and address the general living conditions of a specific neighborhood or community. For projects providing service delivery, costs associated with real estate acquisition, construction and renovation are not allowable. General

occupancy costs and minor repairs, however, are allowable (e.g. rent, utilities, insurance, painting, carpeting, weatherization, etc.).

Capital Campaign

Capital campaign expenses are defined as those expenses that include the acquisition, renovation and improvement of property, as well as new construction and equipment of facilities that will serve as the applicant's office. Housing and physical and commercial revitalization of a given area are also included in this category. Priority will be given to projects whose predominant use of facility space is for program operations and service delivery. If the project involves the acquisition of property, building renovation, expansion or new construction, evidence of site control is required with the exception of housing projects (see Attachment D of the application).

Property Use and Disposition

The following property use and disposition requirements only pertain to NAP capital campaign projects with the exception of housing and downtown or Mainstreet revitalization projects.

1. The cost of constructing, acquiring and/or renovating property may be offset by eligible NAP contributions when:
 - a) The nonprofit organization can demonstrate sufficient site control (see Attachment D of the application).
 - b) At least half of the building space will be fully used by the nonprofit organization to carry out the NAP project and its own nonprofit programs as agreed upon with DED.
1. Building space not used for the NAP project may be leased provided that:
 - a) Building space is leased to for-profit organizations or government agencies at or above market rate.
 - b) Building space is leased to nonprofit organizations at or below market rate.

Environmental Assessment

Environmental assessments are required for non-residential properties acquired or improved by the nonprofit organization (**note: approved projects will be required to submit a copy of the environmental assessment to NAP within 10 working days from the closing date on any properties**). Buildings previously occupied and owned by the applicant are exempt from this requirement if the purpose of the NAP support is only to renovate the building.

At a minimum, a Phase I Environmental Site Assessment is required on all real estate contributed for NAP credit or purchased using NAP contributions. A Phase I Environmental Site Assessment is a property history and a noninvasive physical

assessment of the real property conducted in accordance with American Society for Testing and Materials (ASTM) Standard E.1527. (More information about the standard may be obtained by accessing this website: www.astm.org)

- All hazardous substances must be removed or abated in accordance with local, state and federal regulations prior to acquiring or accepting contributed property. NAP tax credits cannot be used for contributions made to cover the costs of the removal or abatement of hazardous materials.
- The professionals completing the assessment must be qualified in the detection of hazardous substances in the following categories as applicable to the property:
 - Lead-Based Paint
 - Asbestos-Containing Materials
 - Petroleum Products
 - Other Hazardous Substances

The assessment report must include the credentials of the professional conducting the assessment and be submitted to the NAP applicant and NAP Staff for review before any real estate is acquired. To find professionals that may be qualified to do a Phase I Environmental Site Assessment, look in your local or regional telephone directory under environmental consultants or services.

Credit Payback

Property

If during the next five years, your organization disposes of land, buildings, vehicles or equipment that was purchased or donated with assistance from the NAP, a percentage of credits approved for the project must be repaid to the State (see schedule below). You may avoid a credit payback by selling the land, buildings, vehicles or equipment for a lump sum payment of at least 90% of the current fair market value. The proceeds of the sale must be applied toward replacement land, buildings, vehicles or equipment for your organization or other project activities approved by the Department.

If NAP credits have been approved for leasehold improvements and the lease is terminated (for whatever reason); if the property reverts to the owner within five years, a percentage of the credits approved for the building project (including any furnishings or equipment that remain with the building) is also subject to the same repayment formula and must be repaid to the State.

Repayment may be in the form of cash paid directly to the State or the voluntary relinquishment of tax credits by donors. The amount of credit settlement will be:

During Year	Percent of NAP Tax Credit to be Repaid to the State
1	100%
2	80%
3	60%
4	40%
5	20%

Contractual Obligation and Noncompliance

If your organization fails to complete the approved project as stipulated in the NAP contract, or is found to be noncompliant with NAP policies and regulations, your organization may be required to pay back to the State a monetary sum equal to the number of tax credits that have already been issued for the project.

Donations to the NAP Project

The NAP tax credit is a fundraising tool that helps nonprofit organizations attract donations to obtain the funds necessary to carry a project through to its completion. Following is a list of the types of donors and donations that are eligible under the NAP as well as any restrictions placed on donations.

Eligible Contributors

Business Eligibility	Tax Liability Type	Schedule Filed
Corporations	Corporate, Franchise Tax	Missouri Form 1120
Farm Operation	Individual Income Tax	Federal Form 1040, Schedule F, Missouri Form 1040
Financial Institution*	Financial Institution Tax	Missouri Financial Tax Return
Individual partner in a Partnership or individual shareholder in an S-Corp	Individual Income Tax	
Individual reporting income from rental property or royalties	Individual Income Tax	Federal Form 1040, Schedule E, Missouri Form 1040
Insurance Company	Gross Premium Receipts Tax	Missouri Insurance Tax Return with the MO Dept. of Insurance
Limited Liability Corporation or Partnership	Individual Members Income Tax, Franchise Tax, Fiduciary Tax	Missouri Form 1120, 1120S or 1065
Partnership	Individual Partners' Income Tax	Missouri Form 1065
Sole Proprietorship	Individual Income Tax	Federal Form 1040, Schedule C and Missouri Form 1040
Small Business Corporation (S-Corp)	Individual Shareholders' Income Tax, Franchise Tax	Missouri Form 1120S

- Includes Banks, Credit Institutions, Savings and Loan Associations, Credit Unions, Farmer's Cooperative Credit Associations, or Building and Loan Associations

The amount of the tax credit claimed shall not exceed the amount of the taxpayer's liability in the tax year that the credit is claimed. Any portion of the tax credit not claimed by the taxpayer in the tax year the contribution was made may be carried over the next five succeeding tax periods. The total tax credits approved for a contributor shall not exceed \$250,000 per tax year.

What Kinds of Donations Qualify?

- Cash – valued at face amount of check
- Materials, supplies, equipment – valued at the lesser of either the fair market value or donor's cost
- Professional services – valued at standard billing rate.
- Labor – valued at employee's hourly wage plus fringes

- Real Estate – valued at the lesser of two independent appraisals
- Publicly-Traded Stocks and Bonds – Publicly-traded stocks are valued at stock market price (high) on the date of transfer but must be sold by the nonprofit organization within one year from the date of contribution before credit will be approved for the donor. Bonds are valued at face value and must be matured at the time of donation. Bonds must be sold by the nonprofit organization within one year from the date of contribution before credit will be approved for the donor.

Features and Restrictions of the NAP Tax Credit

- ✓ The NAP tax credit may be claimed against a variety of state tax liabilities and must be claimed in the following order:
 - 1) Gross Premium Receipts Tax
 - 2) Financial Institution Tax
 - 3) Corporate Franchise Tax
 - 4) Corporate and Individual Income Tax
 - 5) Gross Receipts Tax
- ✓ Not refundable or transferable
- ✓ Five-year carry-forward provision. Donor has six tax periods in which to claim the credit. Any balance remaining after the sixth year is forfeited.
- ✓ Projects located in a city, town or village with populations under 15,000 or in unincorporated areas (with the exception of Clay, Jackson, Jefferson, St. Charles and St. Louis counties) are eligible to apply for tax credits at a 70% level. These credits are subject to an annual limit. If a project rates high enough to be approved, but all 70% credits have been exhausted, the project will be offered 50% credits.

Restrictions on NAP Donations

1. Only food bank organizations (i.e. organizations whose purpose it is to redistribute food to other organizations and pantries) are permitted to offer NAP credit on donated food items. Value of donated items is based on a valuation formula approved by DED.
2. Used clothing does not qualify for credit. Only new items donated by clothing manufacturers, distributors, or retailers are eligible. The value of such items should be the lesser of cost or the fair market value at the time of contribution.
3. Publicly-traded stocks may be donated and are valued at the stock market price (high value) on the date of transfer, however, they must be sold by the NONPROFIT ORGANIZATION and a tax credit application filed with DED by the donor within one year from the date of contribution before credit will be approved for the donor.

4. Bonds may be donated and are valued at face value. The bonds must be matured at the time of donation and must be resold by the NONPROFIT ORGANIZATION and a tax credit application filed with DED by the donor within one year from the date of contribution before credit will be approved for the donor.
5. Grain may be donated and is valued by the grain elevator or business exchange/market on the date of transfer from the donor to the NONPROFIT ORGANIZATION. The organization must sell the grain on the same day as the transfer. A tax credit application must be filed with DED by the donor within one year from the date of transfer and sale before the credit will be issued to the donor.
6. Non-cash donations, with the exception of donations of grain, publicly-traded stocks and bonds, qualify only if the donated goods or services are specifically noted as line items in the approved NAP budget. Services are valued at the standard billing rate for nonprofit clients. Items are valued at the lesser of either the current fair market value or cost to the donor, and may include reasonable overhead costs incurred by the donor in making the contribution, such as transportation or shipping. In no case shall the value of the NAP donation include sales tax and/or profit margin. No donation will be certified for NAP tax credits unless the project budget submitted with the NONPROFIT ORGANIZATION'S application (or as agreed to and amended by NAP) has specifically provided for the type of donation proposed.
7. Individuals doing business qualify to receive credit for the donation of goods, services, or materials ONLY IF they pay tax on the income they receive from the sale of those same goods, services, or materials (file schedule C, E or F for income derived).
8. For the donation of buildings and other real estate, title must be held free and clear by the donor. Tax credit is based on the lesser of two independent appraisals conducted by state-certified or state-licensed appraisers. Appraisals must be performed no more than 18 months prior to date of donation. (Exceptions may be made at the discretion of the DEPARTMENT.) Only one appraisal is required, however, if the property is either a) commercial property with appraised value of less than \$50,000 or b) undeveloped or residential property with appraised value of less than \$25,000. Cost of appraisals may also be donated for NAP credit. Contact the Missouri Real Estate Appraisers Commission in Jefferson City at 573-751-0038 to verify that an appraiser has met the qualifications to be state-certified or licensed.
9. Donations of partial ownership interest in real estate do not qualify for NAP credit (i.e. full title must be given to the NONPROFIT ORGANIZATION in order for the donation to qualify for credit), nor will NAP contributions (i.e. cash) be used to acquire partial interest in real estate.
10. Donations of real or personal property (excluding grain) for the purpose of resale will NOT qualify for NAP tax credits.
11. If only a portion of donated land is to be used for activities covered under this Agreement, the NAP credit will be pro-rated to reflect only the land actually used for the NAP project.

12. The razing or demolition of a structure is not an allowable project activity. In addition, any donations of professional services associated with the razing or demolition of a structure do not qualify for tax credit.
13. When a portion of the value of a non-cash item is donated, NAP credit will be based upon the difference between the cost to the NONPROFIT ORGANIZATION and the value of the donation if wholly donated.
14. A Phase I Environmental Assessment is required on all real estate donated for NAP credit or purchased by the NONPROFIT ORGANIZATION, with the exception of existing residential structures. Cost of the inspection and study (including lab-testing fees) may be donated for NAP credit.
15. Credit for the donation of professional services is only allowed for services that benefit the organization itself, and not for services rendered directly to individual clients. For example, legal, accounting, or engineering services donated to the organization can qualify for credit, while donation of counseling services for clients of the organization would not qualify.
16. Membership fees paid to nonprofit organizations by businesses are not considered eligible NAP donations. However, dues paid by nonprofit organizations for membership in other professional organizations are considered allowable NAP costs.
17. Donations applied toward fundraising activities do not qualify for NAP credit (e.g. donated goods or services to be given away or auctioned, donated goods or services needed to carry out a fundraising event, donated services of professional fundraisers/development directors, or donated cash applied toward any of these expenses). Likewise, items donated for the purpose of resale by the NONPROFIT ORGANIZATION do not qualify for credit.
18. When a donation results from the purchase of a ticket from a nonprofit organization (e.g. for an event), the donation is determined by subtracting the value of whatever is given to the donor in exchange for the ticket purchase from the cost paid by the donor (according to Internal Revenue Service guidelines). The monies donated must be applied to the approved project.
19. Costs associated with the production of printed or audio-visual materials qualify when those materials focus on services provided by the NONPROFIT ORGANIZATION rather than promotion of a specific fundraising activity or event. A fundraising appeal may be included in the material.
20. Service and maintenance contracts, donated office space, and donated professional services for periods beyond the approved NAP fundraising period do not qualify for credit. Credit for donated contracts will not be approved until the contract expires.
21. Donations only qualify for NAP credit if they are donated directly to the approved NONPROFIT ORGANIZATION (e.g. donations to the City do not qualify).
22. For job training projects, if a contributing business directly benefits from work performed by trainees, NAP credit is only allowed on the amount by which the

donation exceeds the benefit derived (i.e. donation must exceed the amount of wages that would otherwise have been paid to the trainees).

23. A maximum of \$250,000 in NAP credits may be approved annually for a single donor. This represents the combined amount of credits approved for donations made by that donor to all NAP projects in the state of Missouri. This limit may be waived at the discretion of the DED Director.

24. In-kind donations of accounting and audit services are restricted to the review of the NAP fund and NAP record keeping. No other donations of in-kind accounting or audit services will be allowed.

Submitting Your Proposal

Proposals may either be:

Postmarked no later than Monday March 15, 2004. We strongly suggest that your proposal be sent via express or certified mail to ensure receipt. **Hand-delivered proposals will not be accepted.** Proposals should be mailed to the following address:

Neighborhood Assistance Program
P.O. Box 118
Jefferson City, MO 65102

Receipt of all applications will be acknowledged in writing as well as posted on the NAP website at <http://www.missouridevelopment.org/cd/nap>. For those organizations that do not have access to the Internet, you may call (573) 522-6155 for verification of receipt.

All applicants should be advised that technical assistance cannot be provided on the closing date of March 15, 2004. Persons seeking technical assistance are encouraged to schedule appointments with program staff. Without an appointment, staff availability cannot be guaranteed.

Proposal Rating

As the administering agency for the Neighborhood Assistance Program, the Department of Economic Development has the fiduciary responsibility of awarding tax credits for projects that result primarily in public benefit rather than private gain or financially benefit an organization that would not otherwise be eligible to apply for NAP on its own behalf. The following guidelines have been developed with this in mind.

Rating the Project

1. Initial Screening

An initial screening will be conducted to determine if your organization meets the basic eligibility requirements and that the application is complete. You will be notified if your application has been disqualified for any reason. Active participating organizations should be aware that prior credit utilization will be a factor in the review of new proposals. Organizations with a low credit utilization rate (less than 50% of credits have been used) may be denied or offered an extension when applicable. ***All organizations must be in good standing with the Secretary of State when applying to NAP. To find out if your organization is in good standing, call (573) 751-4936 or visit the Secretary of State Business Entity Database at <http://sosweb.sos.state.mo.us/businessentity/default.asp>.***

2. Review of Application

Once your project has met all basic eligibility requirements, a review of your written responses will be conducted. Your proposal will be reviewed for the following: targeted customers, clear and concise project outcomes, clear and concise performance targets, milestones that are clearly identified and proceed in a logical sequence, key individuals and partners involved with the project and financial capacity to complete the project. This section is worth a total of 50 points.

Bonus points will be given to proposals at the end of the review that:

- Can verify that the project directly impacts NAP program outcomes or priorities (5 bonus points)

3. Tiebreaker Round

The NAP has a limited number of credits available each year for qualifying organizations. In the event that several organizations tie for a limited number of credits, a tiebreaker round will be performed. The tiebreaker round will include a review of the organization's selected outcomes, financial capacity (including fundraising), and the role of the key people involved in the project. Applicants participating in the tiebreaker round will then be ranked again and applications with the highest ranking will receive priority in the awarding of credits.

Recommendations and Notifications

Every effort will be made to notify organizations of awards by July 1, 2004. Agreements (contracts) will be sent to those organizations selected for approval after final decisions are made. Organizations selected for approval will also be posted on the NAP website at <http://www.missouridevelopment.org/cd/nap>. Those organizations that are not approved for the program will receive notification in writing.

Mandatory administrative training workshops for approved organizations will be scheduled as soon as announcements are made. These workshops will provide information on the contractual obligations of approved NAP organizations as well as the reporting requirements for the program.

Need Help With Your Proposal?

As a partner in community development, the Neighborhood Assistance Program is committed to assisting nonprofit organizations and businesses with the application process. Contact the NAP staff for technical assistance at any time.

- ☞ If you call and reach our voice mail telephone answering system, please leave a detailed message (i.e. name, city, nature of your question, telephone number). This allows staff to respond more quickly and efficiently.
- ☞ Individual consultation may be arranged on a first-come, first-served basis. Due to the demand for assistance and the heavy schedule kept by our staff, you are strongly encouraged to schedule an appointment. We regret that we are not always able to accommodate unscheduled walk-in visitors.
- ☞ In an effort to promote equity among our applicants, please be advised that staff will not review draft applications. We will, however, continue to work with applicants seeking to better understand the application and the application process.

- ☞ Two pre-application workshops will be conducted in Jefferson City. Please see the enclosed schedule for dates and locations. For your convenience, you may attend any of the sessions. You must RSVP by using the workshop registration form provided on the last page of the guidelines booklet. The pre-application workshops will be posted on the NAP website at <http://www.missouridevelopment.org/cd/nap> and will reflect any changes that may occur regarding time and location due to inclement weather or other unforeseen circumstances. As always, the sessions are free and open to the public.

You must read the NAP Guidelines and Application before attending the workshop. Come prepared with a list of questions and bring this application booklet with you.

Application Instructions and Examples

- * Your application must be typewritten.
- * Do not use type smaller than 10 point.
- * State the number and question at the top of each page before answering.
- * Complete responses to questions 1-15 must total no more than 15 pages in length.
- * Use only the attached forms provided in the application.
- * Do not bind or staple the application. Secure the application with a butterfly clip.
- * Double check your proposal to make sure you have included all required items.
- * Submit one copy of your entire application (including attachments). **The application must contain original signatures.** Please keep all pages in proper order.
- * Fax copies of applications will not be accepted.
- * Keep a copy of the entire application, including all attachments, for your records.

Please read the questions thoroughly and answer them as concisely and completely as possible. Keep in mind that the focus should be on outcomes and that all pieces of the application must tie together (proposed activities → outcomes → targets → verification → milestones). Use the definitions and examples provided on the next few pages to assist you in answering questions in the application.

DEFINITIONS

1. **Project Period** – The timeframe in which all activities (i.e. fundraising, service delivery, expenditures, and/or construction related to the proposed project) will be completed (excluding the required final report and audit).
2. **Project Outcomes** – Outcomes are the priority areas identified by your organization that will benefit your targeted customers. If you are able to impact any NAP Program Outcomes, you will also need to identify them in question 5 of the application (see pages 5 and 6 of the guidelines booklet). *Capital campaigns should base their outcomes on the services that will occur as a result of the capital campaign (the reason that the capital campaign is taking place).*
3. **Performance Targets** – Performance targets identify the level of performance you wish to achieve in each project outcome you identified. Performance targets should reflect how your targeted customers will benefit from your project and will indicate how long the change will last. For each outcome, there must be at least one

performance target. *Capital campaigns should focus their performance targets on the services that will occur as a result of the capital campaign (the reason that the capital campaign is taking place) and describe the impact of the capital campaign as it relates to the project outcome.*

4. **Project Verification** – Verification includes any information tool that tracks and evaluates success of achieving performance targets and outcomes. Include how often the evaluation will take place and who is responsible for collecting the data. Each performance target must have a verification tool.

Example: Community Center providing GED classes, job readiness training and senior services.

Outcome	Performance Target	Verification
Increase the number of Missourians that obtain a GED certificate.	1. 75 of 125 persons enrolled in GED training will receive their certification.	1. Program records collected by the Program Administrator
Increase the number of Missourians age 55 and older that are able to live independently.	1. 150 additional and 75 current seniors will live independently as a result of access to nutritional meals and recreational programs.	1. Program records collected by the Program Administrator.
Increase the number of Missourians who are placed in jobs.	1. 75 of 85 persons completing job readiness certification classes, will obtain employment for a minimum of six months.	1. Follow up with employers done by the Program Director quarterly. 2. Self-reports (surveys) by the Program Administrator at the end of each quarter.

5. **Project Milestones** – Milestones are based on the participant's efforts/activities. They are the essential steps that define what your targeted customers must do to successfully complete your project. First, list each step that must occur in order for the project to generate the targets listed. Second, for each step, determine the level of participation required or other important variables that may effect achievement of your performance targets. Third, for each step, indicate the timeline in which it will take place. You are not required to use this format. You may list and describe the milestones in a format that best suits your project as long as it is easily understood. *Capital campaigns should include milestones relating to acquisition of property, construction or renovation, as well as the services that will occur as a result of the capital campaign.*

Milestones: Example (Community Center)

Milestones	Number Needed	Timeline
Construction:		
Acquire Property		By Jul. 31, 2004
Site Preparation Completed		By Aug. 31, 2004
Construction of center		Sep.1, 2004 – Apr. 30, 2005
Programming:		
Learn of Programs	650	650 prior to Jun. 1, 2005
Clients take pre-test for GED evaluation	125	62 Aug. 2005 63 Jan. 2006

Clients attend Job Readiness Training	85	Daily 21 Jul. 2005 – Sep. 2005 21 Oct. 2005 – Dec. 2005 21 Jan. 2006 – Mar. 2006 22 Apr. 2006 – Jun. 2006
Seniors receive healthy meals.	225	Daily 225 Sep. 2005-Jul. 2006
Seniors participate in Center activities.	225	Weekly 225 Sep. 2005 – Jul. 2006
Clients attend GED classes.	125	Weekly 62 Aug. 2005 – Dec. 2005 63 Jan. 2006 – May 2006
Clients acquire jobs.	80	Quarterly 20 Oct. 2005 20 Jan. 2006 20 Apr. 2006 20 Jul. 2006
Clients take test for GED certification.	100	50 Dec. 2005 50 May 2006
Clients maintain jobs.	75	37 Jul. 2006 38 May 2006
Final evaluation of all programming		June 2006

Projects are reminded to treat outcomes, performance targets, milestones and verification as inter-related elements of a single process. Each outcome must have its own performance targets, milestones and verification mechanisms.

- Outcomes reflect what you want to accomplish.
- Performance targets allow you to measure the extent to which the outcomes are accomplished.
- Milestones establish the timeframe and steps taken to accomplish the performance target(s) and ultimately the outcome(s).

Scoring of the NAP proposal will address the connection of identified outcomes, performance targets and milestones.

6. **Energy** – the ability to infuse life into yourself, colleagues and the target population. Energy is what a program needs to get started, but more importantly, what it takes to keep going.
7. **Capacity** – the level of skill and knowledge that each of the key individuals have in their positions, not necessarily the length of time they have been with the project.
8. **Commitment** –the evidence that key individuals have a personal stake in the success of the program and have the commitment to stay with the project until it is completed.

NAP Budget--This is a proposed budget for organizations seeking support through the Neighborhood Assistance Program. All budgets must include a detailed breakdown of budget line items. If your project receives a tax credit award, this will become your approved NAP budget. NAP staff may adjust the proposed budget during the

application review process. Organizations will be notified of any changes that occur. The budget form must be typewritten. Please round all figures to the nearest dollar.

NAP BUDGET LINE ITEM/CATEGORY AND COST BREAKDOWN (Lines 1-9):

Enter all items that will be donated to your organization for NAP tax credits or purchased with NAP cash donations. These costs should be categorized according to the budget line items provided. Be sure to itemize all costs included in your proposed NAP budget total. If NAP leveraged funds will only support a portion of the total project budget, please indicate the total amount of funding that will be secured from other sources for the project.

- **Salaries/Fringe** include full and part-time staff members who will be assigned to this project. Amounts should be pro-rated to reflect the approximate percentage of time devoted to the project. NOTE: Salaries for professional fund-raisers are not eligible NAP expenses.
- **Contracts** include paid services required for the NAP project. These services can include accounting, legal, auditing, architectural, engineering and other services approved by NAP that are needed to implement the project. If your project budget includes an audit, only the cost of the NAP project audit may be included for tax credit. An audit is required if an organization uses \$25,000 or more in tax credits.
- **Travel** includes local and/or out of town travel costs. This category may include expenses required to participate in professional training and workshops related to the implementation of the NAP project.
- **Equipment** includes the purchase, lease or rental of equipment, furnishings, appliances and other related items that will be used in the proposed NAP project. Please use reasonable and current market value in your area to determine cost.
- **Supplies** include all expendable supplies to be used during the project period. Items such as paper, paper clips, pens, toner cartridges are examples of supplies.
- **Building Space** includes the lease of all facilities used by your organization during the NAP project period. These costs should be comparable to the prevailing fair market value for rent in the community or geographic area in which you are located.
- **Construction** includes new construction, expansion and/or renovation of your building. All construction cost figures should provide cost per square foot and be based on the prevailing costs in your community or geographic area.
- **Property Acquisition** includes land and/or structures that will be acquired to complete the NAP project. These costs should be based on current appraisals at the time your application is submitted.
- **Other Costs** includes utilities, phones, vehicle maintenance, insurance or any other item that does not fit in the provided categories.

The following examples are not all-inclusive for each project type but are provided to show the detail required on the proposed budget form.

Service Delivery Project Example:

BUDGET LINE ITEM AND COST BREAKDOWN	NAP BUDGET	AMOUNT FROM OTHER SOURCE
1. Salaries - \$60,000 Project Director (30,000 x 50% of time) \$15,000 Administrative Assistant (20,000 x 25% of time) \$5,000 Have federal grant for other portion of salaries (see answer to question 23)	\$20,000	\$40,000
2. Equipment - \$16,500 Computers (2 @ \$3,000) \$6,000 Fax Machine (1 @ \$250) \$250 File Cabinet (1 @ \$250) \$250 (Have funding for other equipment cost, see answer to question 23)	\$6,500	\$10,000
3. Contracts - \$12,000 Legal \$ 500 Audit \$1,500 (Have funding for organization audit, see answer to question 23)	\$ 2,000	\$10,000

Capital Campaign Project Example:

NAP BUDGET LINE ITEM AND COST BREAKDOWN	NAP BUDGET	AMOUNT FROM OTHER SOURCES
1. Property Acquisition - \$60,000 City donating other cost of land (see answer to question 23)	\$35,000	\$25,000
2. Site Work - \$22,500 Excavation (\$15/cu yd @ 500 yd) \$7,500 Asphalt paving \$10,000 Other costs being covered by private donation not qualifying for tax credit (see answer to question 23)	\$17,500	\$5,000
3. Floor Coverings - \$25,000 Vinyl Comp Tile \$5,000 Base and Carpet \$10,000 Other costs being covered by private donations not qualifying for tax credit (see answer to question 23)	\$15,000	\$10,000
4. Project Administrator Salary - \$2,000 (oversight of tax credits, organize and contract with workers for the renovation)	\$2,000	\$0

TOTAL TAX CREDITS (Line 11):

If your project is located in a city, town or village with a population under 15,000 (with the exception of projects located in Clay, Jackson, Jefferson, St. Charles and St. Louis counties), compute 70% of the total on line 10. If your project is located in a city, town or village with a population of more than 15,000, compute 50% of the total on line 10.

NOTE: Tax credits at the 70% level are not guaranteed for all projects located in areas with populations of 15,000 or less. These credits are finite and subject to availability during the year of approval. Approved projects that qualify at the 70% level will be offered tax credits at the 50% level when 70% level tax credits have been depleted.

APPLICATION ATTACHMENTS

All attachments must accompany the application at the time of submission. Applications received that are missing one or more attachments at the time of submission will be automatically disqualified.

Attachment A – Provide the name, day phone number, fax number, occupation and current board term of each person comprising your Executive Board of Directors. Also indicate whether or not the board member is a resident of the project area. Make additional copies of this form as necessary. NAP staff will call one or more of your executive board members to discuss their role on the Board, as well as their general level of support for and knowledge of the content of the application.

Attachment B – Provide letters of support from individuals, agencies, organizations or institutions whose cooperation is required to carry out the project. Letters from your targeted customers, state elected officials and community leaders may also be submitted. General letters of support for your organization are accepted. However, letters indicating specific support for the proposed NAP project will strengthen your proposal. You must submit at least three letters of support along with this attachment written after November 1, 2003. Copies of the support letters are acceptable.

Attachment C – NAP statute requires that each applicant submit a local government certification stating that the project does not interfere with existing city plans or ordinances. This is not an endorsement by the local government authority. You must use the form provided.

Attachment D – If your proposal involves property acquisition, construction or renovation, you are required to give written evidence that your organization has sufficient control over the site where the proposed acquisition, construction or renovation will take place. Review and complete this attachment and submit with the appropriate documentation.

Attachment E – This form certifies that your organization does not employ illegal aliens (undocumented workers) and that the information contained in the application is true, correct and complete. The form may be signed by the Executive Director of the organization, or by any other person duly authorized to represent the applicant organization, and notarized. All applicants must complete this form to be eligible for the program.

NEIGHBORHOOD ASSISTANCE PROGRAM



Building Communities Through Partnerships

APPLICATION WORKSHOP SCHEDULE

The Neighborhood Assistance Program (NAP) is pleased to offer application workshops designed to assist nonprofit organizations with the NAP application process. The workshops will be held in Jefferson City and are free and open to the public. Because space is limited, it is very important that you RSVP for the workshop of your choice and fax (573) 522-4322 or mail to Joyce Nichols at:

Neighborhood Assistance Program
P.O. Box 118
Truman State Office Building
Jefferson City, MO 65102

Please check the workshop you will attend:

<input type="checkbox"/> Wednesday, January 7, 2004 9:00 a.m. – 12:00 p.m. James C. Kirkpatrick State Information Center 600 West Main Jefferson City, MO	<input type="checkbox"/> Tuesday, January 13, 2004 1:00 p.m. – 4:00 p.m. James C. Kirkpatrick State Information Center 600 West Main Jefferson City, MO
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Please submit a registration form for each person that plans to attend from your organization.

NAME: _____

ORGANIZATION: _____

STREET ADDRESS: _____

PHONE NUMBER: _____

FAX NUMBER: _____

E-MAIL ADDRESS: _____